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1992-1993
ANNUAL REPORT

ALBERTA DAIRY CONTROL BOARD

Alberta
AGRICULTURE, FOOD AND
RURAL DEVELOPMENT

Alberta
AGRICULTURE

Alberta Dairy Control Board

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July 19, 1993

Honourable Walter Paszkowski
Minister of Agriculture
208 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Sir:

I have the privilege to present to you the Annual Report of the Alberta Dairy Control Board for the year ended March 31, 1993.

Yours truly,

James P. Heron,
Chairman

JPH:ml

ANNUAL REPORT

of the

ALBERTA DAIRY CONTROL BOARD

for the fiscal year

ended March 31, 1993

CHAIRMAN'S MESSAGE

The annual report covers the activities of the Alberta Dairy Control Board for the fiscal year ended March 31, 1993. It provides information on the Board's mandate and primary activities. It includes dairy industry statistics and also financial statements audited by the Office of the Auditor General of Alberta. We are gratified by the widespread use of this historical data. We have responded to many requests from not only dairy industry participants, but also academics, students and the news media. I hope you find this report informative and useful.

All Board members join me in thanking the management and staff for a job well done. Their dedication to this industry is reflected in the smooth flow of large scale operations that serve producers, processors and consumers.

During the past year, the Board responded to a number of national and provincial issues. The National Dairy Task Force study prompted a considerable response from all Alberta dairy industry stakeholders. The Dairy Board provided information and assistance to producers and processors to ensure Alberta's strength within the National Milk Marketing Plan.

Internationally, the on - off General Agreement on Tariffs and Trade talks received much attention from the Alberta dairy industry. The Board continues to measure the impact upon our industry as negotiating deadlines come and go. The Board has recently adopted a wait-and-see attitude and is ready to move quickly to accommodate industry-driven changes if and when new global trading rules are defined. After witnessing seven years of negotiations, all Alberta stakeholders have become fairly tolerant to the short-term tremors created by ongoing trade negotiations.

Last year, the Board initiated and participated in a western provincial liaison to ensure that regional interests were best served within the context of promoting change for a stronger Canadian dairy industry. At the request of industry, new agreements were structured with British Columbia and Saskatchewan Milk Control Agencies, permitting the interprovincial movement of fluid milk. Interprovincial milk movement restraints must give way to permit greater economies of scale and plant rationalization. The Board must continue to monitor industry-driven changes so that we can respond to the many challenges to our dairy industry.

The heavily populated areas of North America report increasing environmental problems with large-scale dairy operations. Alberta's large dryland farming base can absorb large amounts of whey and manure as soil nutrients. Our capacity to sustain large expansion of the dairy industry, without harming the environment combined with our low costs of production and the lowest milk price structure in Canada gives Alberta great potential for long-term growth.

The financial statements will show producer and processor assessments account for 75 percent of our revenues. This shows that the Board is well along the road toward privatization without taxpayer's dollars. The Board receives its most significant contribution from the Alberta government through the ongoing support of the Dairy Board Act and supporting regulations. The Board needs strong and effective legislation to resolve many different issues presented for judgement through the appeal process. The Board is often called upon to act as referee in maintaining the disciplines required of a supply managed industry.

The Board thanks former Minister of Alberta Agriculture, Food and Rural Development, Ernie Isley for his considerable efforts. The provincial government's strong support of agriculture has been shown by Mr. Isley's commitment to the dairy industry. On behalf of the Alberta Dairy Control Board, I welcome the Honourable Walter Paszkowski as our new Minister and look forward to his participation in the dairy industry.

We would also like to thank members of the Policy Advisory Committee, Alberta Milk Producers' Society, Alberta Dairy Association, and Alberta Agriculture, Food and Rural Development for their valuable assistance to Dairy Board members and staff.

I would personally like to thank the Board members for their hard work.

Our continuing commitment is to serve our constituents to the best of our ability.

James P. Heron, Chairman
Alberta Dairy Control Board

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ALBERTA DAIRY CONTROL BOARD

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ALBERTA DAIRY CONTROL BOARD

PAST CHAIRMEN

Stewart Thomas	1968 - 1977
Jim Gylander	1977 - 1983
Mike Dordevic	1984 - 1989

BOARD MEMBERS

James P. Heron	Chairman	Spruce Grove
Lucille Dougerty	Member	High River
Thor Andreassen	Member	Stony Plain
James Hunter	Member	Medicine Hat
Terry Murray	Member	Wainwright
Lloyd Johnston	Secretary-Manager	Wetaskiwin

AUTHORITY AND MANDATE

The Alberta Dairy Control Board is a Crown corporation, operating under the authority of the Dairy Board Act.

The purpose of the Alberta Dairy Control Board is to control and regulate the sale of milk in Alberta. The Board's responsibilities cover all three sectors of the dairy industry including fluid milk, industrial milk and cream.

The Board's membership consists of two active dairy producers, a former processor, a consumer representative and a full-time chairman. The chairman reports directly to the Minister of Agriculture, Food and Rural Development. The Board employs 10 full-time staff members to administer dairy policy within Alberta.

The Alberta Dairy Control Board is one of the signatories to the Comprehensive Milk Marketing Plan (the National Milk Marketing Plan governing the production of industrial milk in Canada). The Board has accepted the responsibility of administering market share quota, collecting levies and remitting them for Alberta producers. James Heron, Chairman, represents Alberta on the Canadian Milk Supply Management Committee, which makes recommendations on balancing milk production with domestic and export demand.

Dairy policies are developed to ensure that producers and processors of milk and cream have an opportunity to receive a fair return for their labour and investment. Dairy policies also provide consumers of dairy products with a continuous supply of high-quality dairy products at reasonable prices.

The Board is responsible for setting the producers' price for milk in all classes with the exception of Class I. By authority of the Dairy Board Act, the Public Utilities Board sets the price for Class I milk.

REPORT ON OPERATIONS

Changing conditions within the dairy industry at the provincial, national and international levels continue to affect the operations of the Alberta Dairy Control Board. The Board continued to exercise fiscal responsibility. The producer and processor assessment rate has not changed since 1975. The assessment rate for producers is $0.02 per kilogram of butterfat delivered and for processors it is $0.01 per kilogram of butterfat received.

The Lethbridge office was closed in 1992 to improve service to an increasingly progressive industry and to improve overall efficiency. For the same reason the Airdrie office was closed on March 1, 1993. To further enhance the audit program some staff were reassigned. The Board continues to audit processor milk utilization to ensure producer payments are accurate.

The Board has been active in setting up a system that permits interprovincial movement of milk while ensuring fair market returns to producers. Expenditures for travel and Board fees reflect these increased activities. The national initiatives to centralize control of the dairy industry caused the number of meetings and travel for the Board and staff to increase.

Expenditures also include honorarium and expenses paid to members of Alberta Milk Producers' Society and Agrifoods International Cooperative Ltd. who participated in Canadian Milk Supply Management Committee meetings. As well, some members of the Policy Advisory Committee of the Board claimed honorarium and expenses for committee business.

During the 1992-93 year, Central Alberta Dairy Pool, Northern Alberta Dairy Pool and Fraser Valley Milk Producers merged to form Agrifoods International Co-operative Ltd.

Interprovincial movement of Class I milk products have increased due to industry requests and to facilitate plant specialization and rationalization.

The Board continues the use of a three tiered levy system in response to the Canadian Dairy Commission decisions. During the 1992-93 dairy year, producers were offered the choice of delivering into the sleeve and thus pay the higher sleeve levy. Over-quota levies collected during the 1991-92 dairy year were not refunded. They totalled $2,722,171. During the 1992-93 dairy year, the over-quota levies were used to reduce the in-quota levy to zero and further reduce the all milk levy by $0.03 per kilogram of butterfat.

Support prices for industrial milk increased $0.50 per hectolitre as of February 1, 1993. The Board adjusted the producer price by adjusting the price of industrial milk classes. Producers decided to share the cost of market development in anticipation of a greater share of higher class market returns. Class I milk price increased from $54.01 per hL to $54.99 in August, 1992 and to $55.97 per hL in November, 1992.

A small decrease in milk and cream consumption of 1.19 percent added some pressure to over-production.

Sales of low-fat products, including skim, 1% and 2% milk, represented 74.39 percent of total milk sales, a 0.8 percent increase over the previous year.

The number of producers decreased as a result of industry rationalization and consolidation of dairy farms, which reflect increased production per cow and improved efficiency. As of March 31, 1993, there were 1,268 milk and 208 cream producers, a drop of 10 percent from 1992. Production during the dairy year exceeded quota issued by 2.96 percent. The amount of quota transferred reached record levels. Fluid quota transferred from 5.9 percent to 7.59 percent while market share quota transferred rose from 5.6 percent to 9.55 percent.

During the 1992-93 fiscal year, Agrifoods International Cooperative Ltd. closed their plant at Lethbridge while Pass Dairies Ltd. closed their facilities at Bellevue.

The Board operated the fluid milk equalization pool on behalf of Alberta producers for the seventeenth year.

Dairy Cost Study participants received funding from the Board. The cost study provides the Public Utilities Board and extension agents with valuable information.

The Board continued to collect assessments from producers for dairy product promotion and nutrition education. These funds were turned over to the Alberta Milk Producers' Society and the Dairy Nutrition Council of Alberta.

Board staff have noted an increased demand for information from producers as a result of the reduction in the number of dairy specialists employed by Alberta Agriculture, Food and Rural Development.

Board policy and regulations were administered successfully in what has been a most eventful year. The Board and staff enjoyed cooperation from all sectors of the dairy industry, agri-business and provincial government throughout the year. Board staff continued to dedicate themselves to providing the best possible service to the industry, business, government and consumers.

ALBERTA DAIRY CONTROL BOARD

FINANCIAL STATEMENTS

MARCH 31, 1993

Auditor's Report

Balance Sheet

Statement of Revenue, Expenditure and Retained Earnings

Notes to the Financial Statements

AUDITOR'S REPORT

To the Members of the
Alberta Dairy Control Board

I have audited the balance sheet of the Alberta Dairy Control Board as at March 31, 1993 and the statement of revenue, expenditure and retained earnings for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1993 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Donald D. Salmon
FCA
Auditor General

Edmonton, Alberta
June 14, 1993

ALBERTA DAIRY CONTROL BOARD

BALANCE SHEET

AS AT MARCH 31, 1993

	1993	1992
ASSETS		
Operating:		
Current:		
Cash	$1,100,286	$1,030,006
Due from processors and producers (Note 4)	438,845	404,157
Prepaid expenses	884	-
	1,540,015	1,434,163
Capital assets (Note 5)	116,741	91,020
Equipment under capital lease (Note 6)	2,891	5,100
Trust: (Note 7)		
Cash (bank indebtedness)	(98,004)	254,433
Due from processors and producers (Note 4)	1,435,269	1,697,296
	1,337,265	1,951,729
	$2,996,912	$3,482,012
LIABILITIES AND RETAINED EARNINGS		
Operating:		
Due to processors and producers (Note 8)	$ 427,632	$ 356,478
Due to Province of Alberta	65,015	99,307
Accounts payable and accruals	46,864	46,801
Current portion of obligation under capital lease (Note 9)	2,998	2,405
	542,509	504,991
Obligation under capital lease (Note 9)	960	3,958
Retained earnings	1,075,029	1,006,562
Quota exchange reserve (Note 10)	41,149	14,772
	1,659,647	1,530,283
Trust liabilities (Note 7)	1,337,265	1,951,729
	$2,996,912	$3,482,012

The accompanying notes are part
of these financial statements.

ALBERTA DAIRY CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 1993

	1993	1992
REVENUE		
Producer assessments	$ 416,593	$ 404,768
Processor assessments	206,312	165,902
Government contribution to administration costs (Note 11)	178,093	170,794
Quota exchange transfers (Note 10)	26,377	452
	827,375	741,916
EXPENDITURE		
Salaries and employee benefits	483,117	482,746
Travel and Board fees	124,968	106,986
General office	36,256	42,504
Grants	33,608	33,139
Amortization	32,346	17,403
Data processing	20,930	26,538
Data processing equipment and software	1,306	2,996
	732,531	712,312
Excess of revenue over expenditure for the year	94,844	29,604
Appropriation to quota exchange reserve (Note 10)	26,377	452
	68,467	29,152
Retained earnings at beginning of year before restatement	1,006,562	1,002,290
Adjustment for change in accounting policy (Note 3)	-	(24,880)
Retained earnings at beginning of year as restated	1,006,562	977,410
Retained earnings at end of year	$ 1,075,029	$ 1,006,562

ALBERTA DAIRY CONTROL BOARD

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1993

Note 1 Authority

The Alberta Dairy Control Board operates under the authority of the Dairy Board Act, Chapter D-1, Revised Statutes of Alberta 1980, as amended.

Note 2 Accounting Policies

Amortization

Capital assets are amortized on a straight-line basis over the following periods:

Office furniture and equipment	3 years
Communication equipment	3 years
Software development	5 years
Computer hardware and equipment	5 years

Equipment acquired under a capital lease is amortized on a straight-line basis over the term of the lease.

Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Change in Accounting Policy

In previous years, accrued vacation pay was not included in the financial statements. In the current year, the Board adopted the policy of accruing vacation pay. This change has been applied retroactively and results in the following restatements of the 1992 comparative figures.

Note 3 Change in Accounting Policy (continued)

	As Previously Reported	Adjustment	As Restated
Salaries and employee benefits	$ 460,825	$ 21,921	$482,746
Excess of revenue over expenditure	51,525	(21,921)	29,604
Accounts payable and accruals	-	46,801	46,801
Retained earnings at beginning of year	1,002,290	(24,880)	977,410

Note 4 Due from Processors and Producers

	1993	1992
Operating:		
Quota exchange	$ 386,450	$ 349,828
Assessments	52,395	54,329
	$ 438,845	$ 404,157
Trust:		
Price equalization	$ 604,757	$ 501,076
Canadian Dairy Commission	476,069	843,397
Alberta Milk Producers Society	315,526	308,152
Dairy Nutrition Council of Alberta	23,547	24,456
Violations	15,370	20,215
	$1,435,269	$1,697,296

Note 5 Capital Assets

	1993 Cost	1993 Accumulated Amortization	1993 Net	1992 Net
Communication equipment	$ 1,073	$ 596	$ 477	$ 835
Computer hardware and equipment	28,405	6,760	21,645	13,465
Office furniture and equipment	5,146	4,089	1,057	2,773
Software development	128,173	34,611	93,562	73,947
	$ 162,797	$46,056	$ 116,741	$91,020

Note 6 Equipment Under Capital Lease

	1993 Cost	1993 Accumulated Amortization	1993 Net	1992 Net
Office equipment	$11,690	$8,799	$2,891	$5,100

Note 7 Trust

Under the National Milk Marketing Plan, the Board collects levies from processors on behalf of producers and forwards the levies to the Canadian Dairy Commission (CDC). A portion of the levies collected can be refunded to producers under certain conditions.

The Board has an agreement to collect levies for milk promotion and education on behalf of the Alberta Milk Producers Society (AMPS) and the Dairy Nutrition Council of Alberta (DNCA).

Under section 38 of the Dairy Control Board Regulation, the Board is required to operate a price equalization mechanism whereby all producers receive a fair price for their milk production.

Note 7 Trust (continued)

	CDC	AMPS	DNCA	Price Equalization	Total
Trust liabilities at beginning of year	$ 1,082,119	$ 308,152	$ 24,456	$ 537,002	$ 1,951,729
Add: 1992-93 amounts received	13,151,756	3,439,301	256,667	5,362,363	22,210,087
Amounts receivable	476,069	315,526	23,547	620,127	1,435,269
	14,709,944	4,062,979	304,670	6,519,492	25,597,085
Less: Amounts paid out	14,353,927	3,744,353	280,897	5,880,643	24,259,820
Trust liabilities at end of year	$ 356,017	$ 318,626	$ 23,773	$ 638,849	$ 1,337,265

Note 8 Due to Processors and Producers

	1993	1992
Operating:		
Quota exchange	$425,290	$352,628
Other	2,342	3,850
	$427,632	$356,478

Note 9 Obligation Under Capital Lease

Future minimum payments

	1993	1992
1993	$ -	$2,405
1994	2,998	2,998
1995	960	960
	3,958	6,363
Less: Current portion	2,998	2,405
	$ 960	$3,958

Note 10 Quota Exchange

The Quota Exchange Reserve represents surpluses occurring on transfers of quotas and will be used to cover any future Quota Exchange transaction deficiencies.

	1993
Sales of quota	$4,269,047
Purchases of quota	4,242,670
Appropriation in current year	26,377
Reserve at beginning of year	14,772
Reserve at end of year	$ 41,149

Note 11 Administration Costs

In addition to the government contribution which represents 25% of certain administration costs, the General Revenue Fund of the Province of Alberta bears the cost of the following:

Administrative services - legal, audit, personnel, and financial.
Accommodation costs - office space, basic utilities, repairs, maintenance, RITE telephone system, office furniture and certain office equipment.

Note 12 Interest on Cash Deposits and Licence Fee Income

Interest from cash deposits in the Consolidated Cash Investment Trust Fund and licence fee income have been credited directly to the General Revenue Fund of the Province of Alberta.

Note 13 Pension Benefits

The Alberta Dairy Control Board and its employees participate in the Public Service and Public Service Management pension plans. On May 14, 1993, the Public Sector Pension Plans Act (No. 2) received Royal Assent. Upon proclamation, the Board will be required to make increased pension contributions. The amount of the increased contributions will be established by future regulations.

Note 14 Comparative Figures

The 1992 figures have been reclassified where necessary to conform to 1993 presentation.

Note 15 Approval of Financial Statements

These financial statements were approved by management.

TABLE 1

NUMBER OF PROCESSORS AND DISTRIBUTORS AS OF MARCH 31, 1993

	1991	1992	1993
Number of Processors "B"	30	26	22
Number of Processor/Distributors "B" Class 1	13	10	10
Number of Distributor Agents/Depots "C"	63	69	107

TABLE 2

FLUID MILK AND CREAM CONSUMPTION IN LITRES
APRIL 1, 1992 TO MARCH 31, 1993

	Milk	Cream	Total
1987–88	256,961,614	10,089,428	267,051,042
1988–89	256,286,990	10,260,600	266,547,590
1989–90	261,153,952	10,333,930	271,487,882
1990–91	264,046,128	10,759,823	274,805,951
1991–92	268,167,034	10,646,500	278,813,534
1992–93	264,970,275	10,765,594	275,735,869

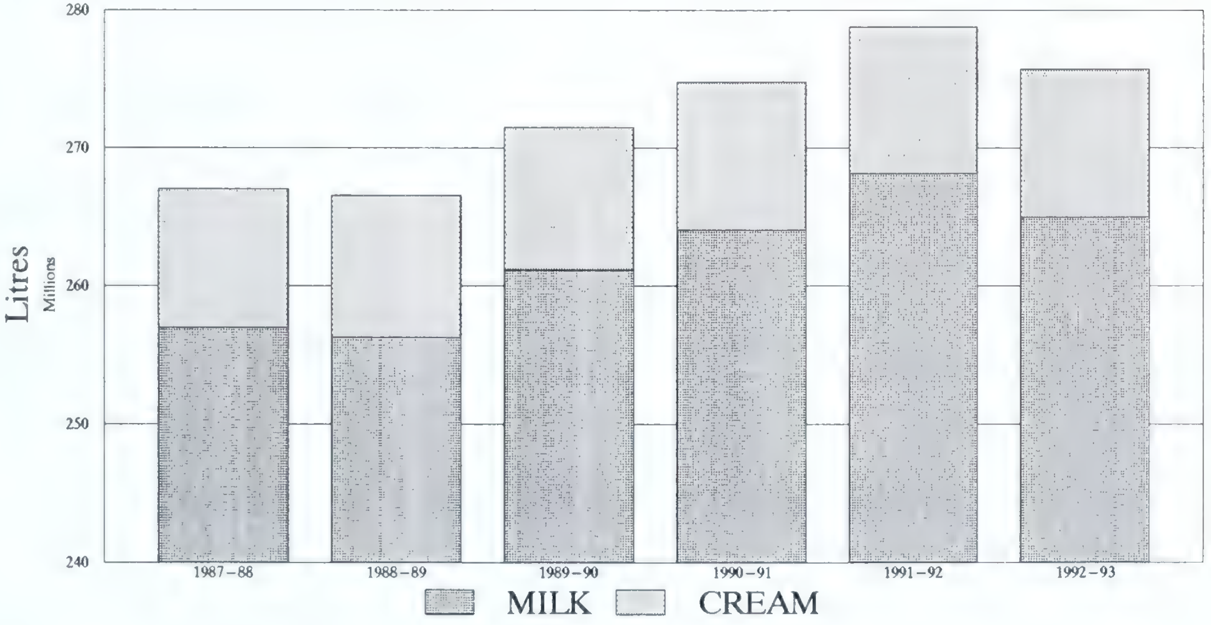

TABLE 3

SALES OF FLUID MILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	**Cumulative**
April	22,276,590	22,276,590
May	22,391,479	44,668,069
June	21,908,326	66,576,395
July	21,895,819	88,472,214
August	20,522,336	108,994,550
September	22,418,342	131,412,892
October	23,506,130	154,919,022
November	21,844,540	176,763,562
December	23,435,543	200,199,105
January	21,669,087	221,868,192
February	20,860,002	242,728,194
March	22,242,081	264,970,275

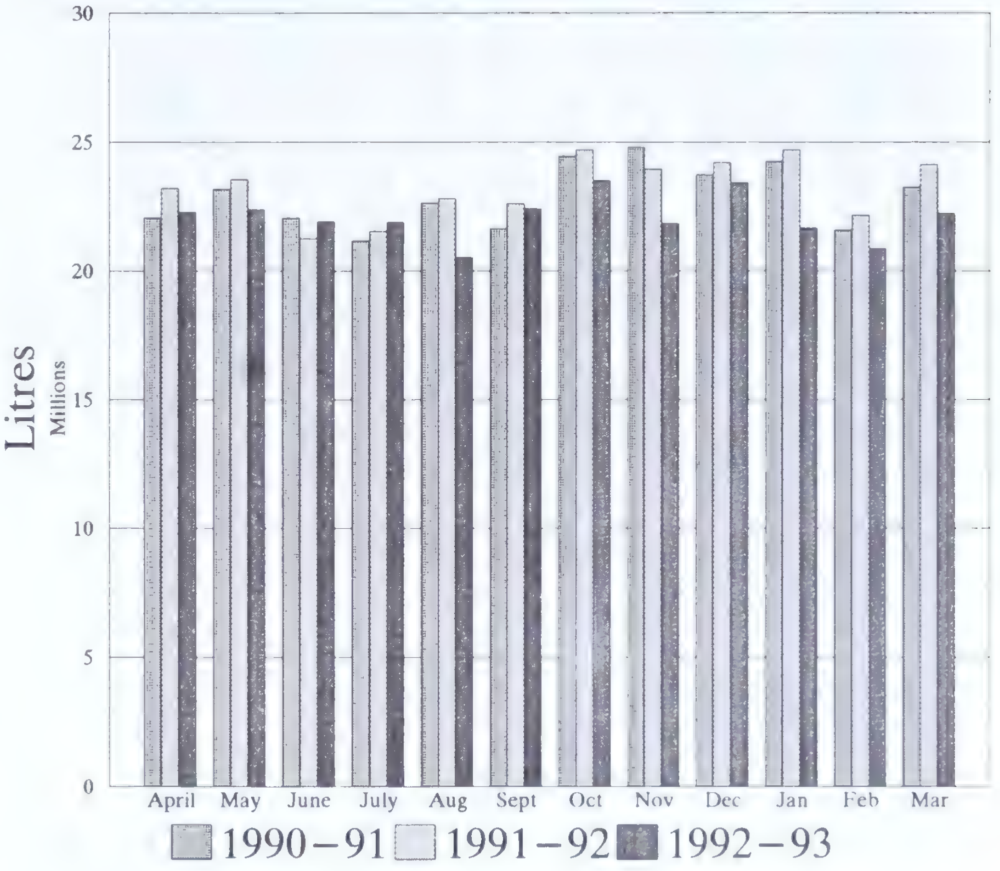

TABLE 4

SALES OF HOMO MILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	3,638,086	3,638,086
May	3,649,220	7,287,306
June	3,539,246	10,826,552
July	3,675,101	14,501,653
August	3,420,429	17,922,082
September	3,583,149	21,505,231
October	3,766,640	25,271,871
November	3,450,790	28,722,661
December	3,649,970	32,372,631
January	3,392,163	35,764,794
February	3,266,534	39,031,328
March	3,373,402	42,404,730

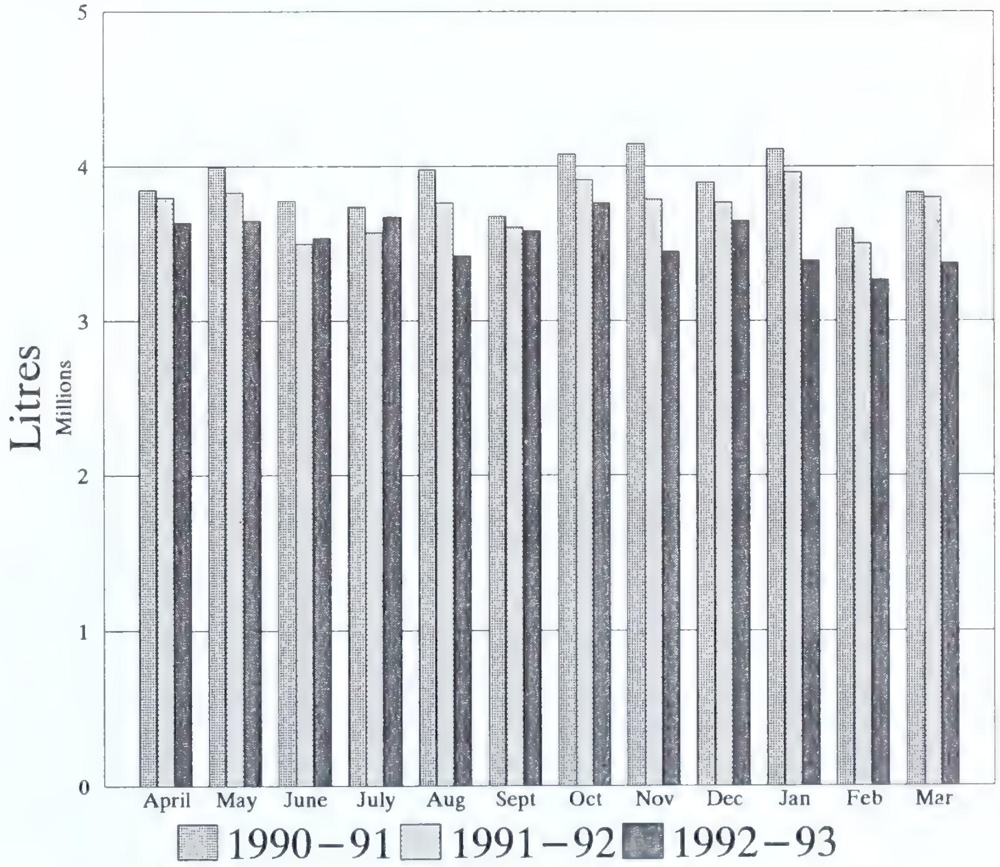

TABLE 5

SALES OF 2% MILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	**Cumulative**
April	11,180,259	11,180,259
May	11,211,626	22,391,885
June	10,879,356	33,271,241
July	11,026,994	44,298,235
August	10,242,574	54,540,809
September	10,903,319	65,444,128
October	11,301,894	76,746,022
November	10,386,043	87,132,065
December	11,058,255	98,190,320
January	10,667,380	108,857,700
February	10,326,727	119,184,427
March	10,916,275	130,100,702

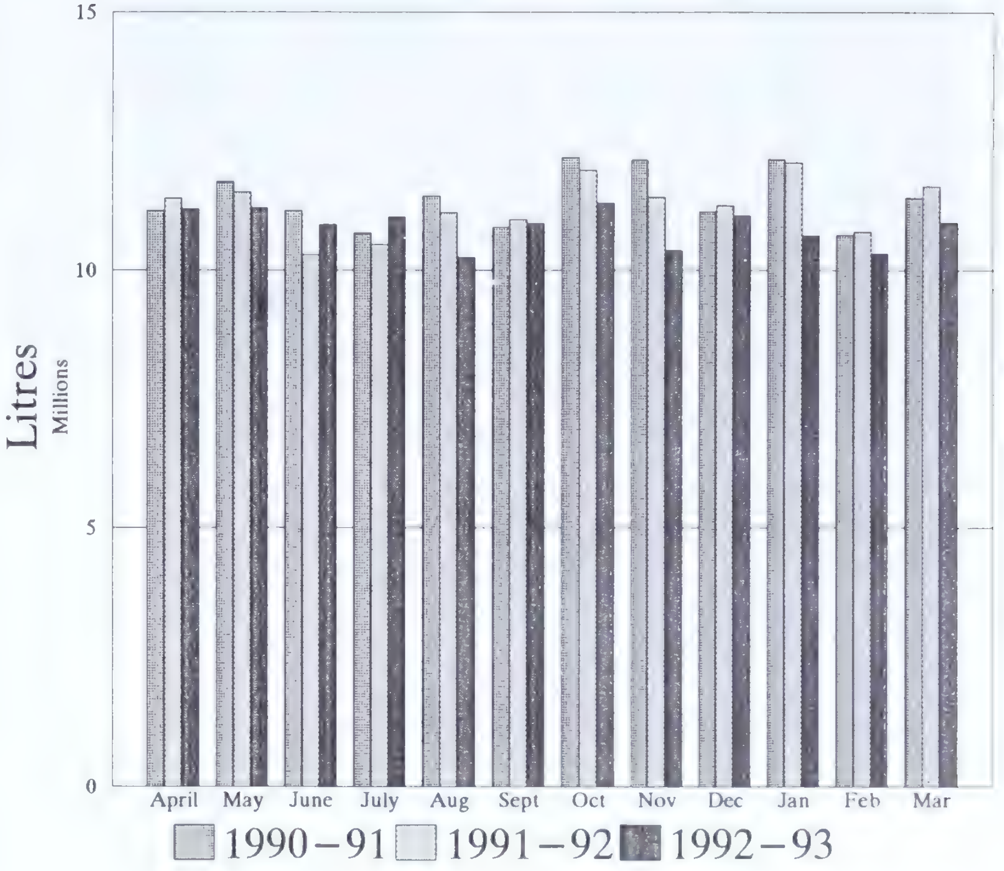

TABLE 6

SALES OF 1% MILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	3,932,809	3,932,809
May	3,966,609	7,899,418
June	3,922,313	11,821,731
July	3,780,824	15,602,555
August	3,607,841	19,210,396
September	4,102,838	23,313,234
October	4,303,242	27,616,476
November	3,977,070	31,593,546
December	4,053,497	35,647,043
January	4,093,890	39,740,933
February	3,872,117	43,613,050
March	4,195,424	47,808,474

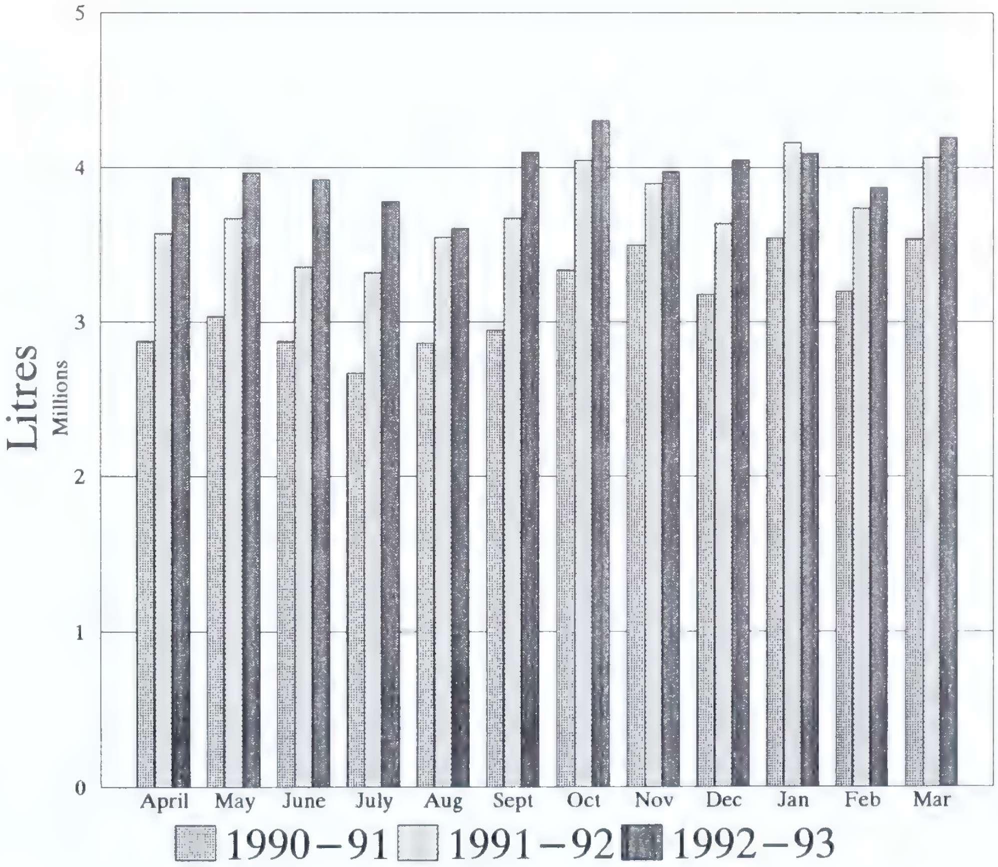

TABLE 7

SALES OF SKIM MILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	2,246,056	2,246,056
May	2,230,188	4,476,244
June	2,255,981	6,732,225
July	2,102,084	8,834,309
August	2,011,742	10,846,051
September	2,478,882	13,324,933
October	2,583,683	15,908,616
November	2,383,389	18,292,005
December	2,220,078	20,512,083
January	2,222,320	22,734,403
February	2,111,710	24,846,113
March	2,311,992	27,158,105

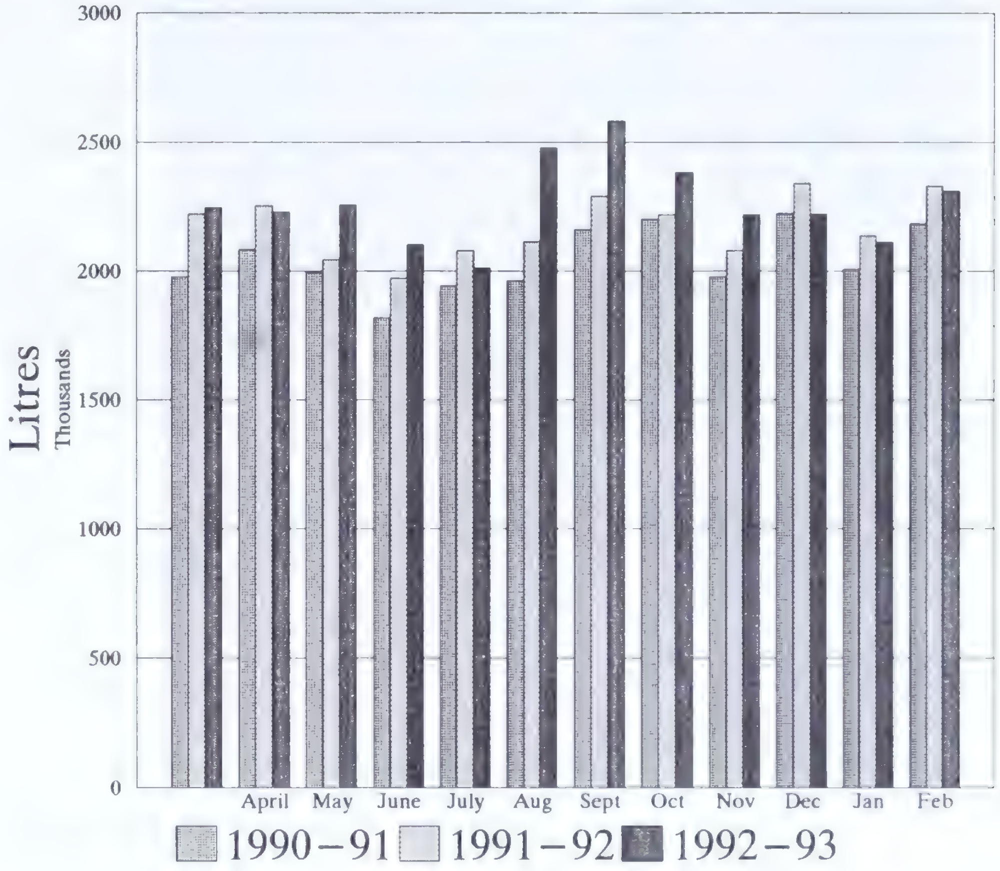

TABLE 8

SALES OF CHOCOLATE MILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	1,143,685	1,143,685
May	1,190,225	2,333,910
June	1,161,719	3,495,629
July	1,158,003	4,653,632
August	1,094,500	5,748,132
September	1,216,005	6,964,137
October	1,336,950	8,301,087
November	1,245,759	9,546,846
December	1,109,952	10,656,798
January	1,176,805	11,833,603
February	1,157,503	12,991,106
March	1,312,775	14,303,881

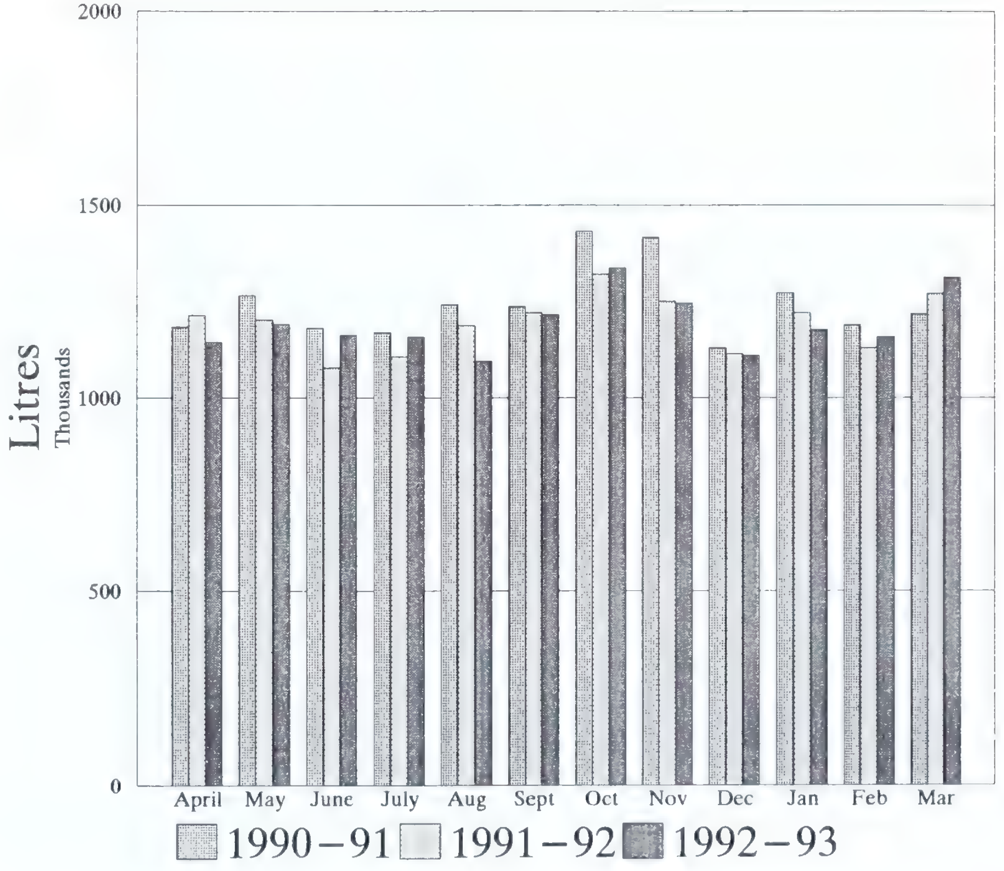

TABLE 9

SALES OF BUTTERMILK IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	134,681	134,681
May	142,581	277,262
June	148,377	425,639
July	151,465	577,104
August	143,879	720,983
September	132,795	853,778
October	136,510	990,288
November	123,958	1,114,246
December	124,737	1,238,983
January	114,669	1,353,652
February	124,231	1,477,883
March	130,928	1,608,811

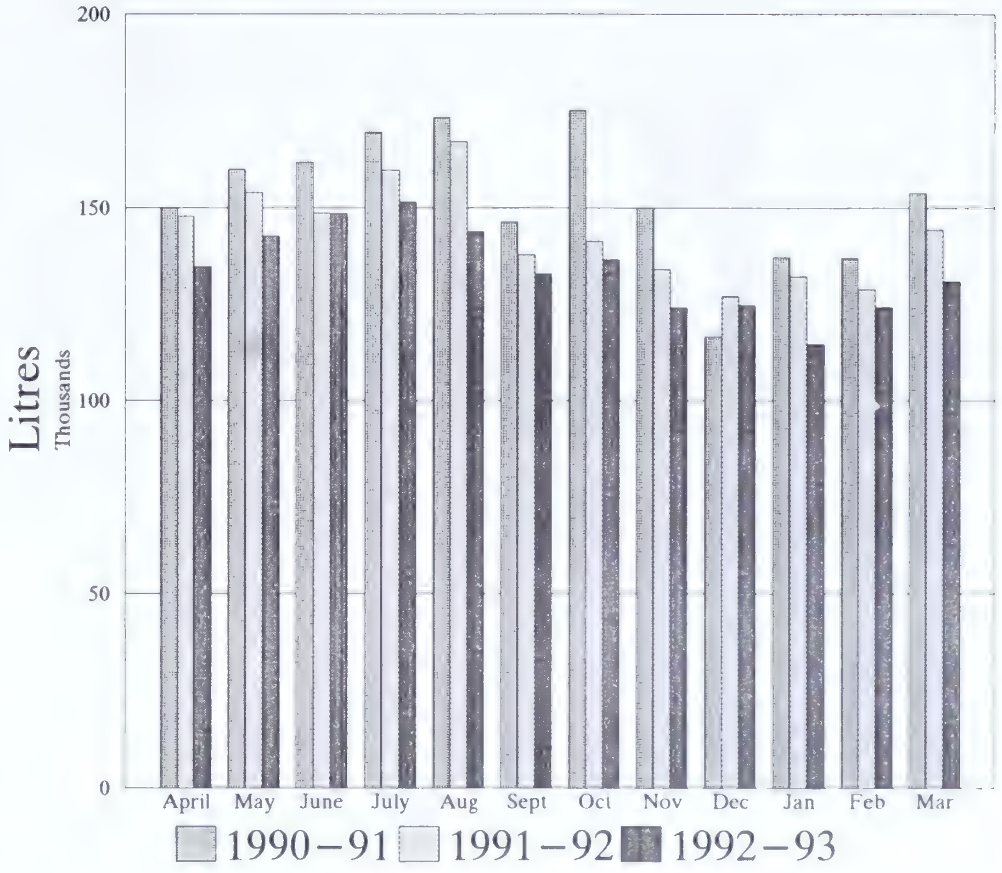

TABLE 10

SALES OF EGGNOG IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	1,014	1,014
May	1,030	2,044
June	1,334	3,378
July	1,348	4,726
August	1,371	6,097
September	1,354	7,451
October	77,211	84,662
November	277,531	362,193
December	1,219,054	1,581,247
January	1,860	1,583,107
February	1,180	1,584,287
March	1,285	1,585,572

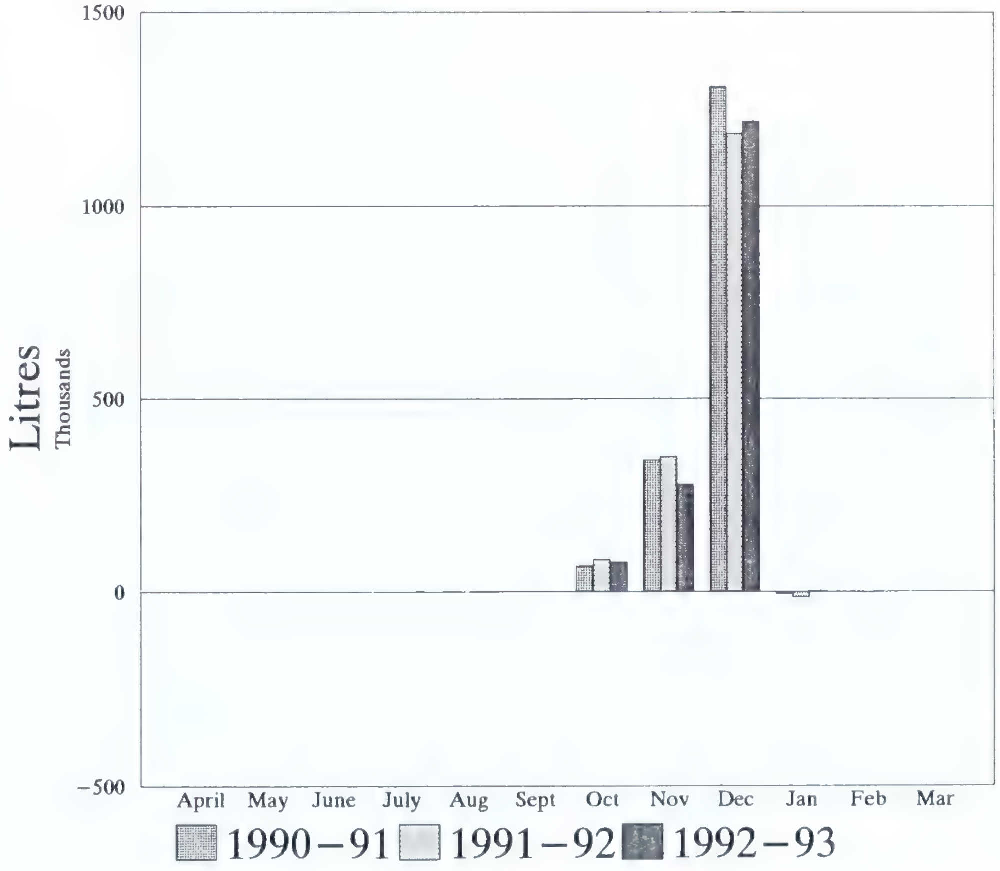

TABLE 11

SALES OF FLUID CREAM IN LITRES

April 1, 1992 To March 31, 1993		
	Monthly	Cumulative
April	888,967	888,967
May	898,544	1,787,511
June	914,001	2,701,512
July	984,588	3,686,100
August	868,214	4,554,314
September	888,931	5,443,245
October	969,851	6,413,096
November	853,244	7,266,340
December	1,047,324	8,313,664
January	781,870	9,095,534
February	784,180	9,879,714
March	885,880	10,765,594

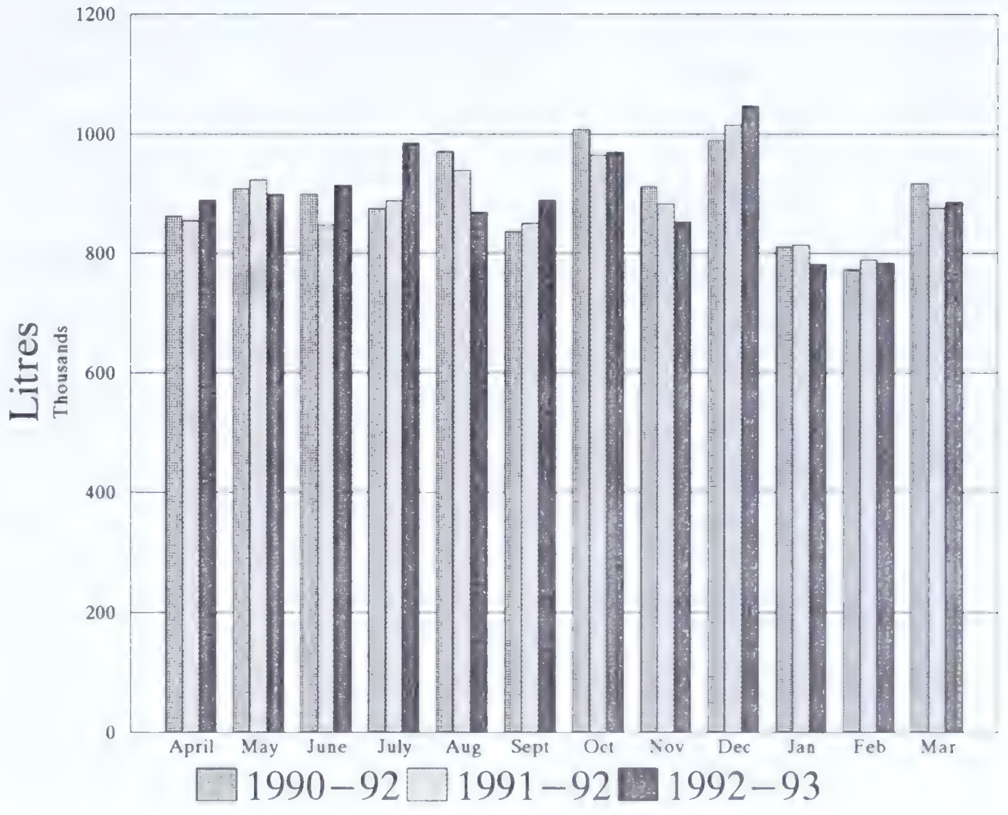

TABLE 12

TOTAL SALES OF MILK AND CREAM IN LITRES BY SIZE OF CONTAINERS
APRIL 1, 1992 TO MARCH 31, 1993

	Fluid Milk Products	% Of Total	Cream	% Of Total	Total Milk And Cream	% Of Total
20 Litres	6,824,890	2.58%	439,590	4.08%	7,264,480	2.63%
4 Litre – Pouch	14,716,344	5.55%	0	0.00%	14,716,344	5.34%
4 Litre – Jug	54,328,256	20.50%	0	0.00%	54,328,256	19.70%
2 Litre – Pure Pak	139,957,302	52.82%	0	0.00%	139,957,302	50.76%
2 Litre – Jug	9,648,272	3.64%	0	0.00%	9,648,272	3.50%
1 Litre – Pure Pak	25,107,707	9.48%	3,279,770	30.47%	28,387,477	10.30%
1 Litre – Jug	1,160,316	0.44%	79,697	0.74%	1,240,013	0.45%
500 Millilitres	6,434,146	2.43%	3,185,310	29.59%	9,619,456	3.49%
250 Millilitres	6,376,883	2.41%	820,947	7.63%	7,197,830	2.61%
125 Millilitres	323,872	0.12%	3	0.00%	323,875	0.12%
Portion Cup	92,287	0.03%	2,960,277	27.50%	3,052,564	1.11%
Total Litres	264,970,275	100.00%	10,765,594	100.00%	275,735,869	100.00%

TABLE 13

PERCENTAGE OF SALES BY PRODUCT SIZE APRIL 1, 1992 TO MARCH 31, 1993

	20 Litres	4 Litres	2 Litres	1 Litre	500 ml	250 & 125 mL	Portion Cup
Homogenized	2.42%	31.50%	57.41%	8.37%	0.26%	0.05%	0.00%
2%	3.30%	27.70%	58.70%	6.58%	1.51%	2.15%	0.07%
1%	0.94%	29.72%	62.22%	5.75%	0.60%	0.77%	0.00%
Skim	0.60%	19.84%	68.19%	10.01%	0.00%	1.37%	0.00%
Chocolate	6.13%	0.46%	0.37%	42.55%	28.49%	22.00%	0.00%
Buttermilk	0.96%	0.00%	0.00%	99.04%	0.00%	0.00%	0.00%
Eggnog	0.00%	0.00%	36.02%	63.98%	0.00%	0.00%	0.00%
10% Cream	3.90%	0.00%	0.00%	24.79%	29.75%	2.98%	38.59%
18% Cream	99.98%	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%
Whipping Cream	0.00%	0.00%	0.00%	49.36%	30.59%	20.05%	0.00%

TABLE 14

TOTAL FLUID SALES BY PRODUCT IN LITRES

April 1, 1992 To March 31, 1993		
	Sales (litres)	Percentage of Total
Homogenized Milk	42,404,730	15.38%
2%	130,100,702	47.18%
1%	47,808,474	17.34%
Skim Milk	27,158,105	9.85%
Chocolate	14,303,881	5.19%
Buttermilk	1,608,811	0.58%
Eggnog	1,585,572	0.58%
Sub Total	264,970,275	96.10%
Cream	10,765,594	3.90%
Total Litres	275,735,869	100.00%

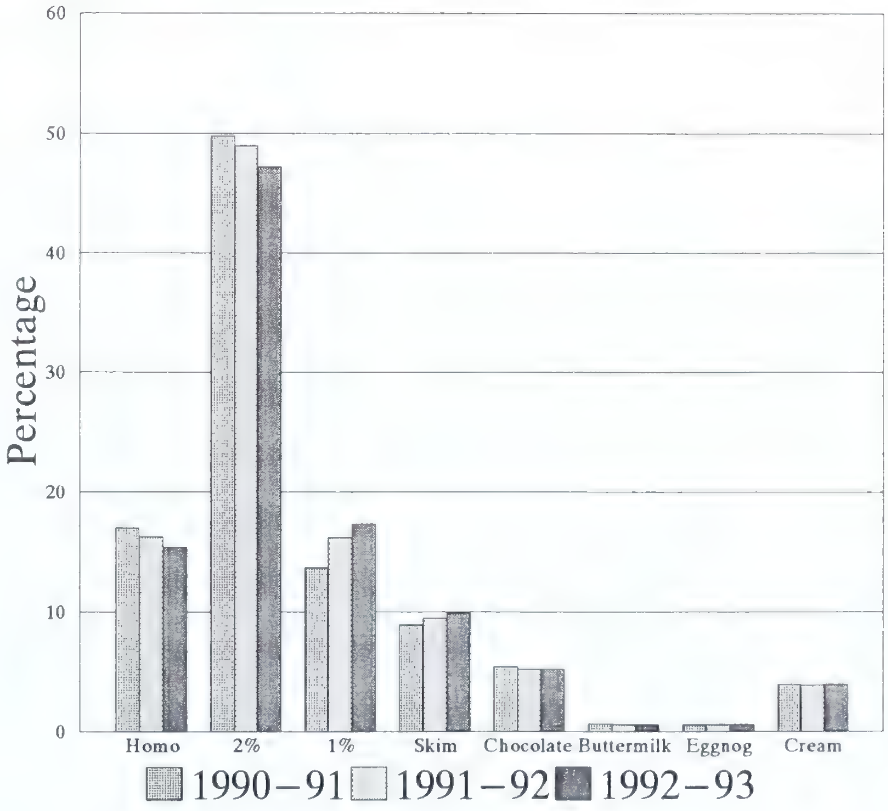

TABLE 15

CLASS I UTILIZATION PERCENTAGE OF QUOTA MILK
APRIL 1, 1992 TO MARCH 31, 1993

	Class I Utilization 1992–93	% Monthly Utilization	% Year–To–Date
April	22,689,601	77.66	77.66
May	22,779,470	75.41	76.52
June	22,288,321	76.24	76.43
July	22,411,793	74.38	75.91
August	20,924,233	69.54	74.62
September	22,721,930	77.94	75.16
October	23,929,152	79.59	75.80
November	22,468,884	77.10	75.96
December	23,279,951	77.22	76.10
January	22,436,702	74.43	75.94
February	21,232,522	78.03	76.11
March	22,617,622	75.06	76.02
Total	269,780,181		

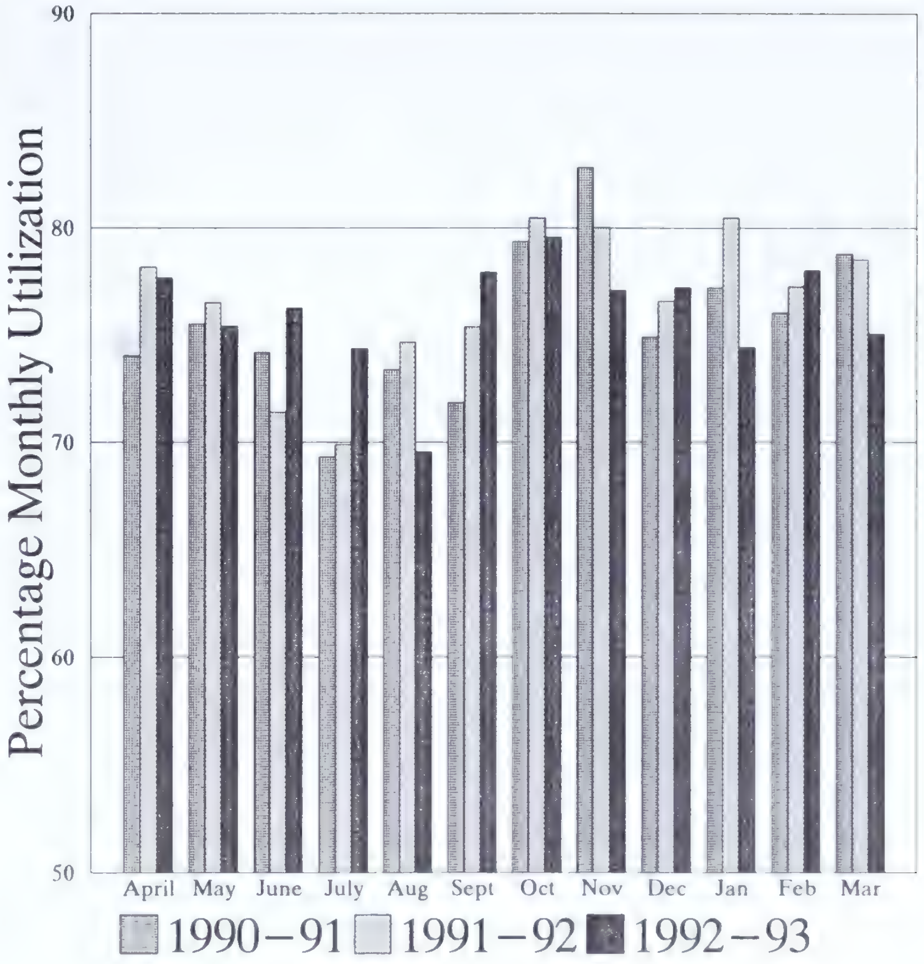

TABLE 16

UTILIZATION OF QUALIFYING MILK BY CLASS
APRIL 1, 1992 TO MARCH 31, 1993

	1990–91		1991–92		1992–93	
	Litres	Percentage	Litres	Percentage	Litres	Percentage
Class I	267,615,641	45.53%	272,272,327	47.61%	269,780,181	48.15%
Class II	60,772,130	10.34%	55,701,119	9.74%	52,013,087	9.28%
Class IIIA	53,608,511	9.12%	43,594,351	7.62%	56,853,328	10.15%
Class IIIB	73,128,243	12.44%	74,728,351	13.07%	54,106,397	9.66%
Class IIIC	132,657,840	22.57%	125,637,159	21.97%	127,557,906	22.77%
Class IV	0	0.00%	0	0.00%	0	0.00%
Total	587,782,365	100.00%	571,933,307	100.00%	560,310,899	100.00%

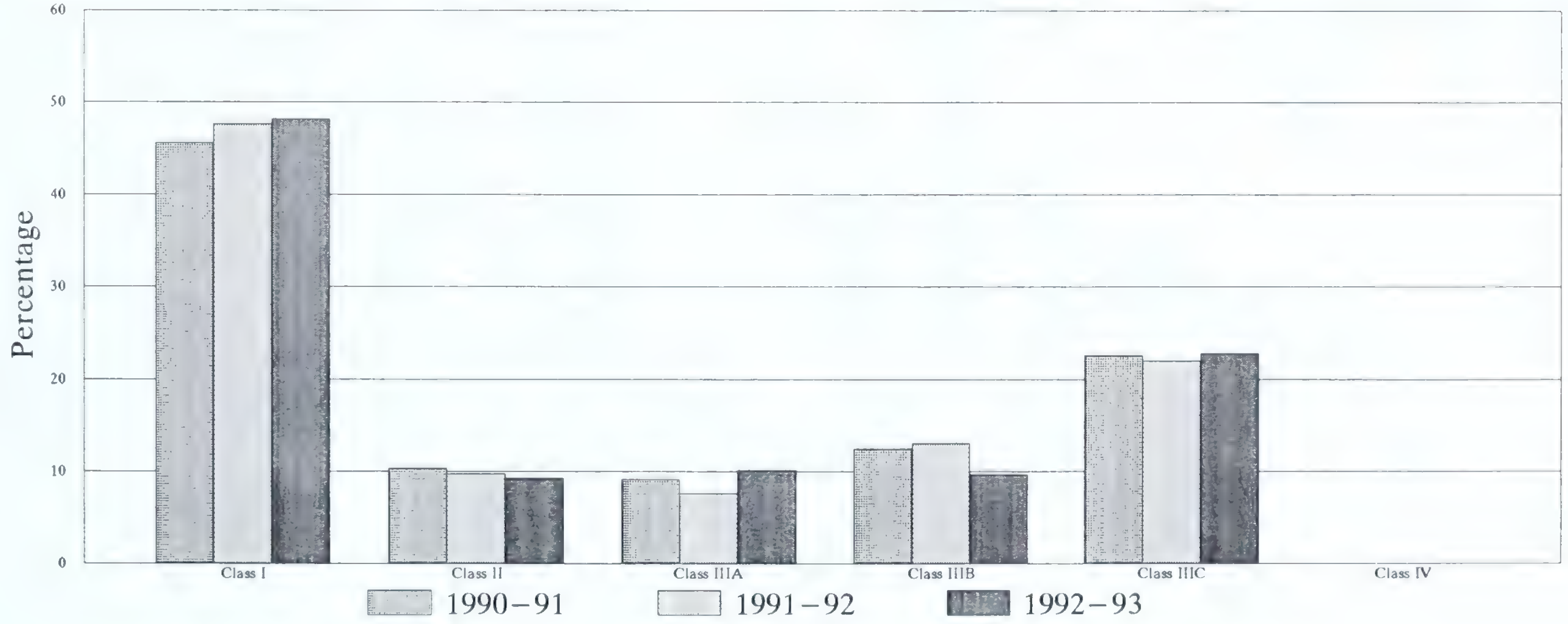

TABLE 17

MILK AND CREAM PRODUCERS AND PRODUCTION
APRIL 1, 1992 TO MARCH 31, 1993

	1990–91	1991–92	1992–93
Number of Milk Producers	1,402	1,333	1,268
Number of Cream Producers	396	307	208
Milk Production (litres)	587,782,365	571,933,307	560,310,899
Cream Production (kilograms)	367,679	291,026	197,750
Average Daily Shipment per Milk Producer (litres)	1,149	1,172	1,211

TABLE 18

PROVINCIAL AVERAGE BUTTERFAT TESTS

	1990–91	1991–92	1992–93
April	3.651828	3.666169	3.677634
May	3.612525	3.605734	3.608140
June	3.513869	3.517454	3.519789
July	3.500814	3.515340	3.499499
August	3.516848	3.520501	3.541843
September	3.646401	3.640866	3.708969
October	3.812717	3.777722	3.814489
November	3.857346	3.836385	3.838952
December	3.813329	3.813826	3.800492
January	3.787952	3.748909	3.855479
February	3.693692	3.713799	3.637037
March	3.676044	3.676383	3.693098

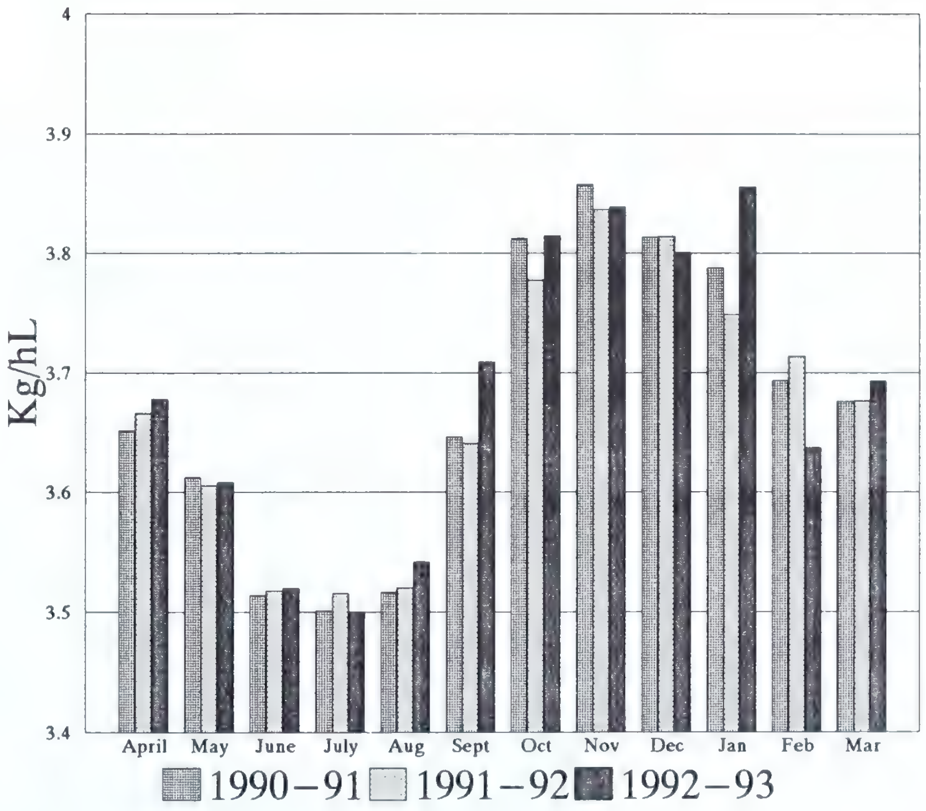

TABLE 19

UNUSED MARKET SHARE QUOTA EXCHANGE

	1989–90		1990–91		1991–92		1992–93	
	$/kg	kg Sold	$/kg	kg Sold	$/kg	kg Sold	$/kg	kg Sold
April	16.00	21,745	13.00	18,302	22.50	21,532	22.00	20,146
May	15.50	35,913	13.00	48,349	22.50	25,299	23.00	13,985
June	14.75	35,289	13.00	64,951	22.50	32,174	24.00	24,250
July	14.00	42,806	14.00	36,750	22.50	24,552	*	*
August	*	*	*	*	*	*	*	*
September	*	*	*	*	18.00	2,349	18.00	4,845
October	10.00	3,147	11.00	5,146	16.00	3,722	20.00	9,025
November	9.50	4,124	10.00	7,890	16.00	7,389	22.00	1,505
December	7.50	5,355	11.00	16,709	16.00	5,415	24.00	3,969
January	9.00	9,013	13.00	5,508	18.00	10,068	25.00	9,553
February	10.00	13,479	15.00	10,658	20.00	8,039	28.00	4,167
March	11.00	19,256	20.00	7,527	21.00	15,478	30.00	8,400
Weighted Average	$13.48		$13.20		$21.18		$23.54	
Total Sold		190,127		221,790		156,017		99,845

* No exchange held for unused MSQ

TABLE 20

USED MARKET SHARE QUOTA EXCHANGE

	1989–90		1990–91		1991–92		1992–93	
	$/kg	kg Sold	$/kg	kg Sold	$/kg	kg Sold	$/kg	kg Sold
April	8.50	9,256	8.00	10,399	12.00	7,604	10.00	446
May	9.00	12,025	10.00	4,533	12.00	9,005	10.00	171
June	9.00	10,566	10.50	10,800	12.00	8,666	10.00	2,671
July	9.00	10,478	10.00	15,512	15.00	3,062	*	*
August	*	*	*	*	*	*	*	*
September	*	*	*	*	10.00	162	10.00	582
October	6.00	124	8.00	585	8.00	1,585	**	**
November	5.50	1,691	3.00	597	10.00	880	**	**
December	5.50	1,572	5.00	5,729	10.00	2,498	10.00	1,471
January	4.00	0	5.00	119	8.00	4,070	15.00	4,869
February	6.00	1,952	5.00	537	10.00	1,992	18.00	6,576
March	8.00	1,745	10.00	1,597	10.00	3,224	20.00	2,064
Weighted Average	$8.51		$8.96		$11.28		$15.18	
Total Sold		49,409		50,408		42,748		18,850

* No exchange held for used MSQ

* * No used MSQ was offered for sale

TABLE 21

FLUID QUOTA EXCHANGE

	1990–91		1991–92		1992–93	
	$/Litre	Litres Sold	$/Litre	Litres Sold	$/Litre	Litres Sold
April	(1)		290.00	535	270.00	365
May	(1)		(3)		300.00	355
June	(1)		260.00	410	(4)	
July	(1)		250.00	600	(3)	
August	220.00	525	(4)		(3)	
September	220.00	790	275.00	605	310.00	250
October	220.00	2,150	300.00	1,010	315.00	1,080
November	220.00	2,310	300.00	1,600	305.00	995
December	(2)		280.00	1,590	315.00	960
January	240.00	565	270.00	1,590	315.00	495
February	240.00	1,000	260.00	1,135	315.00	365
March	255.00	475	(4)		330.00	430
Weighted Average	$226.13		$278.87		$310.00	
Total Sold		7,815		9,075		5,295

Notes: (1) There was no Fluid Quota Exchange in operation prior to August 1990.
(2) A Fluid Exchange did not take place as there was not enough fluid quota available to allocate at least 5 litres to each buyer.
(3) A Fluid Exchange did not take place as the volume offered exceeded the volume bid for.
(4) A Fluid Exchange did not take place as there was no fluid offered for sale.

TABLE 22

MILK PRICES: CLASS I, II, III, QUOTA AND OVER-QUOTA

1992-93

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Class I	54.01	54.01	54.01	54.01	54.99	54.99	54.99	55.97	55.97	55.97	55.97	55.97
Class II	45.47	45.47	45.47	45.47	45.47	45.47	45.47	45.41	45.41	45.41	45.41	45.41
Class IIIA	43.97	43.97	43.97	43.97	43.97	43.97	43.97	43.91	43.91	43.91	43.91	44.14
Class IIIB	43.42	43.42	43.42	43.42	43.42	43.42	43.42	43.36	43.36	43.36	43.36	43.77
Class IIIC	43.32	43.32	43.32	43.32	43.32	43.32	43.32	43.26	43.26	43.26	43.26	43.76
Quota	51.71	51.50	51.55	51.34	51.58	52.48	52.66	53.20	53.23	52.75	53.23	52.98
Over-quota	43.81	43.84	43.72	43.75	43.85	43.87	43.81	43.82	43.77	43.72	43.73	44.09

1991-92

	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Class I	54.99	54.99	54.99	54.99	54.99	54.99	54.99	54.99	54.99	54.45	54.01	54.01
Class II	44.24	44.24	44.24	44.24	44.24	45.47	45.47	45.47	45.47	45.47	45.47	45.47
Class IIIA	42.74	42.74	42.74	42.74	42.74	43.97	43.97	43.97	43.97	43.97	43.97	43.97
Class IIIB	42.19	42.19	42.19	42.19	42.19	43.42	43.42	43.42	43.42	43.42	43.42	43.42
Class IIIC	42.09	42.09	42.09	42.09	42.09	43.32	43.32	43.32	43.32	43.32	43.32	43.32
Quota	52.23	52.04	51.39	51.24	51.83	52.22	52.78	52.70	52.29	52.35	51.64	51.77
Over-quota	42.49	42.52	42.58	42.56	42.59	43.84	43.87	43.86	43.74	43.77	43.81	43.77

TABLE 23

MILK CLASSIFICATIONS

Class I	All milk used for sales
Class II	All excess milk used in the manufacture of ice cream, ice cream mix, cottage cheese, sour cream, yogurt, sherbet mix, milk shake mix, and any milk that is surplus to the requirements of any other class
Class IIIA	All excess milk used in the manufacture of specialty cheeses as defined by the Dairy Board
Class IIIB	All excess milk used in the manufacture of cheddar cheese
Class IIIC	All excess milk used in the manufacture of evaporated milk, condensed milk, butter and skim milk powder
Class IV	All excess milk utilized in the production of butter where skim milk resulting there from is not utilized in any other class

TABLE 24

PROVINCIAL SHARE OF QUOTA

AS AT AUGUST 1

	1989	1990	1991	1992
Provincial Share (kilograms)	11,353,000	10,690,348	10,081,858	9,748,328
National Plan (kilograms)	170,790,980	160,990,614	153,927,205	148100959
Provincial Share of National Plan	6.65%	6.64%	6.55%	6.58%
Change in Provincial MSQ from Previous Year	−0.01%	−5.84%	−5.69%	−3.31%

TABLE 25

LEVY RATES
DOLLARS PER KILOGRAM
AS AT AUGUST 1

	1989	1990	1991	1992
Milk Levy			$0.27	$0.22
In–quota Levy	$0.84	$0.96	$0.34	$0.00
Sleeve Levy			$7.89	$7.80
Over–quota Levy	$7.23	$9.17	$10.43	$9.25

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